

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 362 – HB 1095

March 8, 2021

CORRECTED SUMMARY OF BILL: Exempts persons 25 years of age or older from wearing a helmet when riding three-wheeled motorcycles, including autocycles.

ESTIMATED FISCAL IMPACT:

On February 2, 2021, a fiscal note for this legislation was issued estimating a fiscal impact as follows:

NOT SIGNIFICANT

After further consideration, it was determined the estimated fiscal impact was in error. As a result, the estimated fiscal impact has been corrected as follows:

(CORRECTED)

Increase State Expenditures - \$21,300/FY21-22 and Subsequent Years

Increase Federal Expenditures - \$42,000/FY21-22 and Subsequent Years

Corrected Assumptions:

- Pursuant to Tenn. Code Ann. § 55-9-302(b)(2), drivers of fully enclosed autocycles are not required to wear crash helmets.
- It is a Class C misdemeanor offense to forgo wearing a crash helmet, except under specific circumstances.
- There will not be enough Class C misdemeanor violations as a result of this legislation to significantly impact state or local government revenue or expenditures.
- The Department of Revenue does not differentiate between motorcycle, three-wheeled motorcycles, and autocycle registrations, let alone those autocycles which are fully enclosed.
- There are currently 171,532 registered motorcycles and autocycles in the state.
- It can be reasonably assumed that autocycles and three-wheeled motorcycles make up 2 percent of this figure, or 3,431 (171,532 x 2%).

- Of those, this analysis assumes one quarter are fully enclosed, and therefore currently exempt from this legislation. A total of 2,573 ($3,431 \times 75\%$) autocycles that are not fully enclosed and three-wheel motorcycles are registered in Tennessee.
- According to the US Census Bureau, 81.4 percent of Tennessee's driving population (ages 16 and older) is between the ages of 25 and 75.
- It is estimated that 2,094 ($2,573 \times 81.4\%$) autocycle registrants will not be required to wear a crash helmet, per this legislation.
- Therefore, those impacted by this legislation represent 1.2 percent ($2,094 / 171,532$) of all registered motorcycle and autocycle owners.
- The overall number of TennCare enrollees could increase because an accident leading to substantial medical bills for an accident victim could lead to eligibility for the medically needy spend down program. Anyone permanently injured could become eligible for Supplemental Security Income (SSI) and be automatically eligible for TennCare. SSI is a mandatory Medicaid category that the state chooses to accept the federal determinations of eligibility. The number of individuals who will meet this eligibility determination is unknown and cannot be quantified.
- For FY21-22, the federal match is 66.295, resulting in 33.705 percent being state funds.
- The Division of TennCare reports in 2018, there were 622 TennCare adult enrollees injured as a result of a motorcycle accident. TennCare's expenditures for these enrollees totaled \$5,276,672.
- It is estimated removing the crash helmet requirements for autocycle drivers over the age of 25 will result in an increase in expenditures of \$63,320 ($\$5,276,672 \times 1.2\%$).
- There will be an increase in state and federal expenditures by an amount reasonably expected to be \$21,342 ($\$63,320 \times 33.705\%$ state match) and \$41,978 ($\$63,320 \times 66.295\%$ federal match) in FY21-22 and subsequent years, respectively.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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